

“My Philosophy on Money and Who Influenced Me”

In today's economy with an increasing federal deficit and a wavering stock market, it is more important than ever to practice sound financial planning. My parents and grandfather influenced me at an early age about the importance of being thrifty and sticking to a budget. Their lessons influence my spending habits today, and I am positive that what I have learned thus far will continue to influence me throughout my life. This essay presents specific lessons my parents and maternal grandfather have taught me, my view on money, and my short-term as well as my long-term financial goals.

For me, influences toward my belief of the importance of saving money stem from my parents and my grandfather. I first began to learn about saving money when I was seven years old and ask my dad for a monthly allowance. He told me he would give me twenty dollars each month if I would commit to saving at least half of it. We went to our local credit union, and together we opened my savings account. I still remember getting my first bank statement that reported I had more money in my account than I had deposited. I asked my father why the balance was more than I expected. My dad told me that the extra money was interest my money had earned and that the bank actually gave me extra money for allowing them to let other people borrow my money from their credit union. At age seven, it could not have gotten any better than this. I reached the thousand dollar mark in my savings account after about three years of saving my allowance and monetary gifts recieved from events such as Christmas and my birthdays and also from selling my old toys at garage sales. My father told me that it would be wise to purchase a C.D. I was perplexed by what he was saying because I thought that a C.D. was something that you listened to music on. He explained to me that this C.D. stood for Certificate of Deposit, and now the bank would pay me a higher percentage rate of interest. I was amazed at how much faster my savings increased. My mother was always the one who most persistently insisted that I should not withdraw money from my account. She knew that I might need this money for future occurences in my life such as college, my first car,

and even a down payment for my first home. My mother also taught me many of the values her father had taught her. Paw-Paw, my grandfather, was a great example of someone who could plan a monthly budget and actually be disciplined enough to stick to it. The key to his financial security was saving a portion of his wages each month. His financial plan is what I have used to model my own plan. My grandfather also summed up his financial view better than anyone I know; he said, "No workee, no eatee."

My view of saving money is very simple, efficient, and economical. It is not how much you make, rather it is how much you are able to keep. It is my opinion that the key to saving money is living below your income. For example, if you have an annual income of forty thousand dollars, you should try to live as if you only make thirty thousand dollars per year. If I see something that I want but do not have enough money to buy it, I always wait until I can save enough for the purchase. If I can continue this practice, I will never have to worry about over extended credit and the high cost of borrowing more than I can afford to repay. My view of society is that we place too much emphasis on ways to spend money and not enough emphasis on the importance of personal savings.

My short-term financial goals are simple. I am saving at least two-thirds of what I earn from my part-time job while I am in high school. I want to be able to continue to save for college. By doing this, I am preparing for my future yet allowing myself to enjoy life in the present. My personal goal is to save ten thousand dollars by the time I enter college next year. This will allow me to be able to attend college without having to work as much during the school year because I will need more time to study in order to maintain my grades. I will be able to reimburse my savings by working during the summers when school is not in session. My parents and teachers have taught me that the more studious I am when it comes to my education, the chances of getting a better job once I graduate from college will increase dramatically.

My long-term financial goals are pretty simple, as well. The keys to achieving these goals are possessing enough self-discipline to follow a budget and living within my

means. Once I have a full-time career, a house payment, a car payment, and monthly living expenses, I hope to be able to save a minimum of one hundred dollars each month. If I can stay disciplined, I should be able to set aside enough money to cover day-to-day emergencies, college education funds for my children should I have any, retirement plan for myself and my wife should I decide to marry, and an inheritance for the generation that follows me. Maybe, someday I will be a millionaire. Hopefully, I can invest some of the money I save in real estate. I have often thought that it would be interesting to buy larger tracts of vacant land and develop them into residential neighborhoods.

As a final thought, I would like to say that I am very grateful for my parents and appreciative of their advice and guidance they have given me over the years concerning the importance of saving money. There is much more I need to learn concerning financial matters. However, I feel confident that I will be able to use good judgment in making future financial decisions thanks to the advice that they have given me. They have provided a solid foundation to get me started in the real world of adulthood. My advice to other young people is to discuss and listen to the advice of your parents concerning their financial plan, create your own monthly budget, and practice enough self-discipline to follow through with a plan that encourages saving. Planning is the easy but necessary part; executing a plan and having the self-discipline to stay committed to it is a difficult but rewarding challenge.